

INFORMATION REPORT

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German Industry in Saxony-Anhalt in 1947

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COLLECTOR'S PRELIMINARY

German Industry in Land Saxony-Anhalt in 1947

Characteristics and status of labor of the industrial branches

1. The number of working firms at the end of 1947 was 2,890; in addition, there were 5,747 firms which belonged to the staple and luxury food industries. The number of employees in the same period was 216,862, plus 49,519 in the food industry. Thus the number of employees in the course of 1947 rose by 39,447 in the pure industries and 5,123 in the food industries. This increase in the number of firms and also of employees is relative, since it has various grounds:
  - a. On the ground of the regrouping of firms, according to Order No. 357, a number of firms were newly brought in which had not been previously included.
  - b. Through reconstruction of destroyed small firms, whose number of employees had not previously been in the scope of those obliged to report.
  - c. Through inclusion of a large number of artisan firms, which have been assigned production quotas.
  - d. Through current reconstruction of state-owned industries.

A decrease of small and artisan firms can be observed, which were omitted because of insignificant production and decrease of employees. Obviously a series of new foundations has been taken in.

Production Capacity

The production capacity of pure industries in 1947 on the basis of 1947 prices was 1,316,631,000 RM. In actual production, to the amount of 1,028,243,000 RM, 78 percent of the capacity was employed. It should be obvious that this item is to be taken with the greatest caution, since the concept of "capacity" is very flexible and is undergoing constant changes under present conditions.

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The production capacity of the entire heavy industry at the end of 1947 (sic; 1946?) was 156,000,000 RM and rose at the end of 1947 to 246,000,000 RM. The actual production of heavy industry in 1947 reached the value of 156,000,000 RM.

The increase in capacity is to be attributed to the following causes:

a. Foundation of new firms.

b. Through reconstruction of several dismantled firms, as for example Weisse-Honske. Mining in 1947 was able to utilize 51 percent of its capacity, which, in view of the extraordinarily difficult situation in which this branch of industry was operating, constitutes a notable performance. Dismantling, which was especially noteworthy in this branch and was still being carried out in 1947, must be regarded as the principal reason that the available capacity could be utilized not even approximately to its full extent.

In metallurgy an increase of the yearly capacity of thick sheet iron from 24,000 to 80,000 tons was sought. This branch of industry also could utilize only 56 percent of its capacity.

In the rubber and asbestos industries 87 percent of the capacity could be used and the work was satisfactory, while liquid fuel could likewise be provided at 88 percent of capacity and thus furnished a small contribution to alleviate the fuel shortage.

The absolutely necessary increase of capacity in the pharmaceutical field could be solved satisfactorily in some measure: at the conclusion of 1947 it reached 11.5 million RM, thus reaching a utilization of approximately 56 percent of capacity. It is to be considered that this utilization must be understood as production determined in relation to the capacity reached at the end of the year; therefore, it gives no absolute picture of actual performance.


The stone and earth industry group attained a production of 49,893,000 RM, or 70 percent of capacity.

3. The production level reached by 1 January 1948, on the basis of the groups of firms included in 1947, raised the total 1947 production in comparison to 1946 by about 14.8 percent. From the attached table it is evident that the largest upswing was accomplished in textiles and clothing, wood, metallurgy, machine construction, and chemistry. The upswing which the textile and clothing group made was essentially caused by the delivery of raw materials; while the 4.50 percent production increase over 1946 in the wood industry is a result of wooden house construction. The increase of metallurgical production is naturally connected with the increase of machine construction. Also the increase of the chemical industry is to be attributed to these causes.

#### Conditions under which industry worked in 1947

4. The principal noteworthy problems under which industry worked in 1947 were the apparent shortages in the fields of material procurement, fuel, supply of raw materials, means of transport, labor, etc.

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 Comment: The remainder of section 4 and all of sections 5 and 6 were omitted from the copy.)

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General survey

7. In considering the situation of industry it should not be forgotten that the winterizing of plants in the past quarter could be carried out to 60 percent only, since the necessary building and auxiliary materials were not available. The machines which stand thus unprotected are suffering greatly under current conditions, which is by no means bearable in our present situation. Of course, not only machines in general but also labor suffer under these trying conditions. The machines available to industry are in need of overhaul and repair because of their age and excessive use. If the state of affairs forces improvisation now and then, it is mostly done at the expense of the quality of the goods.

That there is no longer a profitable operation of enterprises, because of the price-restricting laws and the inadequate number of price increases granted, should be clear in the present state of affairs. In this respect, only the Mansfeld plant need be mentioned. [REDACTED] Comment: Mansfeld is being heavily subsidized by the government of Saxony-Anhalt. [REDACTED]

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It would be desirable for an orderly conduct of business that surveys be made of the disposition of goods. Thus, for example, it is not entirely evident what happens to the mined coal. Since such knowledge, however, is one of the crucial points, absolute clarity should prevail in this matter. It is not possible to obtain a clear picture on the basis of presently existing surveys and statistics. Apparently several services are making efforts to achieve obscurity instead of clarity.

If on the basis of the available poor statistical material a statement on the price development is to be made, then it can only be said that the small price increases granted above the 1946 level are immaterial.

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